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LINCOLN TOWNSHIP PUBLIC LIBRARY

STEVENSVILLE, MICHIGAN

J  
FINANCIAL STATEMENTS

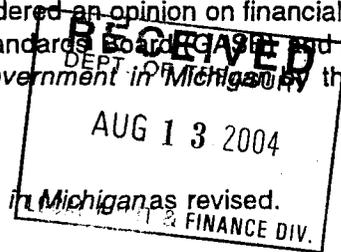
Year ended March 31, 2004

# AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <i>LINCOLN TOWNSHIP PUBLIC LIBRARY</i>	County <i>BERRIEN</i>
Audit Date <i>MARCH 31, 2004</i>	Opinion Date <i>JUNE 3, 2004</i>	Date Accountant Report Submitted to State: <i>AUGUST 7, 2004</i>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.



We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |                              |  |   |
|------------------------------|--|---|
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <i>SCARPONE &amp; CO., P. C.</i>			
Street Address	<i>20 N. SECOND ST., P.O. BOX 1146</i>	City	<i>NILES</i>
		State	<i>MI</i>
		ZIP	<i>49120</i>
Accountant Signature <i>James V. Scarpone, CPA</i>			

LINCOLN TOWNSHIP PUBLIC LIBRARY

STEVENSVILLE, MICHIGAN

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LINCOLN TOWNSHIP PUBLIC LIBRARY

STEVENSVILLE, MICHIGAN

BOARD OF TRUSTEES

David H. Bailey	-	President
Ronald G. Goldy	-	Vice-President
Beth A. Kenagy	-	Secretary
Ann E. Dosch	-	Treasurer
Robert J. Greendonner	-	Trustee
Suzanne M. Jewell	-	Trustee



**SCARPONE & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

June 3, 2004

Members of the Board of Trustees  
Lincoln Township Public Library  
Stevensville, Michigan

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying general purpose financial statements of Lincoln Township Public Library as of March 31, 2004, and for the year then ended as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of Lincoln Township Public Library. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Township Public Library as of March 31, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

*Scarpone & Co., P.C.*

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**COMBINED BALANCE SHEETS**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

March 31, 2004

Governmental Fund Types

<u>ASSETS</u>	<u>General</u>	<u>Debt Service</u>	<u>Endowment Fund</u>
Cash and cash equivalents	\$ 375,640	\$ 267,235	\$ -
Investments	548,353	-	-
Beneficial interest in assets held by others	-	-	29,457
Taxes receivable	20,235	8,734	-
Accounts receivable	2,299	-	-
Interest receivable	1,104	-	-
Land and improvements	-	-	-
Building	-	-	-
Furniture and equipment	-	-	-
Amount available for the retirement of general long-term debt	-	-	-
Amount to be provided for the retirement of general long-term debt	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 947,631</b>	<b>\$ 275,969</b>	<b>\$ 29,457</b>
 <u>LIABILITIES AND FUND EQUITY</u>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 4,588	\$ -	\$ -
Accrued payroll	15,401	-	-
Bonds payable	-	-	-
<b>TOTAL LIABILITIES</b>	<b>19,989</b>	<b>-</b>	<b>-</b>
 <b>FUND EQUITY:</b>			
Investment in general fixed assets	-	-	-
<b>Fund Balances:</b>			
Reserved	770,523	275,969	29,457
Unreserved	157,119	-	-
<b>TOTAL FUND EQUITY</b>	<b>927,642</b>	<b>275,969</b>	<b>29,457</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 947,631</b>	<b>\$ 275,969</b>	<b>\$ 29,457</b>

See accompanying notes to general purpose financial statements.

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum only)</u>	
<u>Fixed Assets</u>	<u>Long-Term</u>	<u>2004</u>	<u>2003</u>
	<u>Debt</u>		
\$ -	\$ -	\$ 642,875	\$ 715,383
-	-	548,353	415,643
-	-	29,457	-
-	-	28,969	34,839
-	-	2,299	67
-	-	1,104	915
37,065	-	37,065	37,065
2,913,057	-	2,913,057	2,913,057
798,285	-	798,285	761,388
-	275,969	275,969	239,791
-	2,074,031	2,074,031	2,210,209
\$ 3,748,407	\$ 2,350,000	\$ 7,351,464	\$ 7,328,357
\$ -	\$ -	\$ 4,588	\$ 8,163
-	-	15,401	11,676
-	2,350,000	2,350,000	2,450,000
-	2,350,000	2,369,989	2,469,839
3,748,407	-	3,748,407	3,711,510
-	-	1,075,949	1,027,301
-	-	157,119	119,707
3,748,407	-	4,981,475	4,858,518
\$ 3,748,407	\$ 2,350,000	\$ 7,351,464	\$ 7,328,357

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

**ALL FUND TYPES**

Year ended March 31, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Endowment Fund</u>
<b>REVENUES:</b>			
Property taxes	\$ 516,575	\$ 237,144	\$ -
State-shared revenues	11,722	-	-
County penal fines	211,709	-	-
Contract services fees	54,864	-	-
Copier charges	8,983	-	-
Book fines	11,820	-	-
Interest and dividends	7,848	228	486
Friends of Lincoln Township Public Library	5,424	-	-
One Book, One Community Project	16,054	-	-
Realized/unrealized investment gains	-	-	4,390
Other revenues	10,824	-	3,985
<b>TOTAL REVENUES</b>	<b>855,823</b>	<b>237,372</b>	<b>8,861</b>
<b>EXPENDITURES:</b>			
Salaries and wages	422,867	-	-
Payroll taxes and employee benefits	53,427	-	-
Utilities	41,563	-	-
Supplies and postage	22,548	-	-
Repairs and maintenance	35,432	-	-
Insurance	8,753	-	-
Professional services	5,548	-	-
Dues and subscriptions	7,998	-	-
Workshops and travel	6,496	-	-
Advertising and publicity	10,840	-	-
Library materials	108,605	-	-
Public copier expenses	2,544	-	-
Capital outlay	36,487	-	-
Automation - maintenance	20,413	-	-
Internet expenses	5,276	-	-
Friends of Lincoln Township Public Library	5,424	-	-
One Book, One Community Project	12,906	-	-
Bond principal payments	-	100,000	-
Interest	-	100,894	-
Bond fees	-	300	-
Loss on sale of investments	-	-	-
Miscellaneous	7,315	-	360
<b>TOTAL EXPENDITURES</b>	<b>814,442</b>	<b>201,194</b>	<b>360</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>41,381</b>	<b>36,178</b>	<b>8,501</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>886,261</b>	<b>239,791</b>	<b>20,956</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 927,642</b>	<b>\$ 275,969</b>	<b>\$ 29,457</b>

See accompanying notes to general purpose financial statements.

Totals  
(Memorandum Only)

	<u>2004</u>	<u>2003</u>
\$	753,719	\$ 709,237
	11,722	32,664
	211,709	167,497
	54,864	48,816
	8,983	8,692
	11,820	9,825
	8,562	13,281
	5,424	-
	16,054	-
	4,390	-
	14,809	12,014
	<u>1,102,056</u>	<u>1,002,026</u>
	422,867	404,733
	53,427	54,748
	41,563	39,253
	22,548	24,278
	35,432	28,633
	8,753	7,241
	5,548	3,550
	7,998	5,969
	6,496	5,700
	10,840	7,591
	108,605	102,919
	2,544	2,411
	36,487	63,033
	20,413	20,337
	5,276	5,379
	5,424	-
	12,906	-
	100,000	100,000
	100,894	105,081
	300	150
	-	7,349
	7,675	4,910
	<u>1,015,996</u>	<u>993,265</u>
	86,060	8,761
	<u>1,147,008</u>	<u>1,138,247</u>
\$	<u>1,233,068</u>	<u>\$ 1,147,008</u>

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>			
Property taxes	\$ 504,000	\$ 516,575	\$ 12,575
State-shared revenues	17,200	11,722	(5,478)
County penal fines	211,709	211,709	-
Contract services fees	52,704	54,864	2,160
Copier charges	8,500	8,983	483
Book fines	11,820	11,820	-
Interest	8,500	7,848	(652)
Friends of Lincoln Township Public Library	4,500	5,424	924
One Book, One Community Project	-	16,054	16,054
Other revenues	10,950	10,824	(126)
<b>TOTAL REVENUES</b>	<b>829,883</b>	<b>855,823</b>	<b>25,940</b>
<b>EXPENDITURES:</b>			
Salaries and wages	420,022	422,867	2,845
Payroll taxes and employee benefits	55,941	53,427	(2,514)
Utilities	41,500	41,563	63
Supplies and postage	23,000	22,548	(452)
Repairs and maintenance	35,000	35,432	432
Insurance	8,800	8,753	(47)
Professional services	5,464	5,548	84
Dues and subscriptions	8,056	7,998	(58)
Workshops and travel	6,500	6,496	(4)
Advertising and publicity	10,400	10,840	440
Library materials	107,000	108,605	1,605
Public copier expenses	2,500	2,544	44
Capital outlay	37,000	36,487	(513)
Automation - maintenance	21,436	20,413	(1,023)
Internet expenses	6,000	5,276	(724)
Friends of Lincoln Township Public Library	5,400	5,424	24
One Book, One Community Project	-	12,906	12,906
Miscellaneous	6,625	7,315	690
Contingencies	29,239	-	(29,239)
<b>TOTAL EXPENDITURES</b>	<b>829,883</b>	<b>814,442</b>	<b>(15,441)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>41,381</b>	<b>41,381</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>886,261</b>	<b>886,261</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 886,261</b>	<b>\$ 927,642</b>	<b>\$ 41,381</b>

See accompanying notes to general purpose financial statements.

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Year ended March 31, 2004

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Library reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The general purpose financial statements include all operations of the Library.

**FUND ACCOUNTING:**

The accounts of the Library are organized into funds and account groups, each of which is considered to be a separate accounting entity. The following funds and account groups are used in accounting for the financial operations of the Library:

**Government Fund Types -** Governmental funds are those funds through which governmental functions of the Library are financed.

**General Fund -** The General Fund accounts for all revenues and expenditures of the Library not required to be accounted for in other funds.

**Debt Service Fund -** The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Endowment Fund -** The Endowment Fund accounts for the revenues and expenditures related to endowment activities of the Library.

**Account Groups -** The Account Groups are used to account for the Library's general fixed assets and long-term liabilities which are not accounted for in the respective governmental funds.

**BASIS OF ACCOUNTING:**

The Library uses the modified accrual basis of accounting. Under this method of accounting, revenues are recognized when both "measurable and available". Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

LINCOLN TOWNSHIP PUBLIC LIBRARY  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED  
Year ended March 31, 2004

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

**BUDGETS AND BUDGETARY ACCOUNTING:**

The Library Board of Trustees adopts an annual operating budget using the basis of accounting described above. Any budget revisions must be approved by the Library Board of Trustees.

**ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**COMPENSATING ABSENCES:**

The Library's personnel policies permit the accumulation and carryforward of sick days. Full-time employees are allowed ten days in any one year while part-time employees can earn a maximum of 80 hours per year. Sick leave will accumulate from year to year to a maximum of thirty days for full-time employees and a maximum of 240 hours for part-time employees. Sick leave compensation available for employee carryforward at March 31, 2004 is estimated to approximate \$23,000. The Library's policies do not allow for termination payments related to any unused sick leave and accordingly, no accrual has been recorded by the Library at March 31, 2004 with respect to such compensated absences.

**TAX INFORMATION:**

Property tax revenues are recognized based on the date of tax levy (December 1).

**GENERAL FIXED ASSETS:**

General fixed assets purchased are recorded as expenditures in the applicable funds at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets Account Group. Book expenditures are not capitalized in the General Fixed Assets Account Group.

No depreciation on the general fixed assets has been provided.

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED**  
**Year ended March 31, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:**

**INVESTMENTS:**

Investments are recorded at cost. The type of investments authorized by the Board of Trustees are as follows:

- a. Bonds, securities, and other obligations of the United States, the principal and interest of which are fully guaranteed by the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of banks, savings and loan associations or credit unions which are federally insured.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and maturing no more than 270 days after the date of purchase.
- d. United States Government federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.

**NOTE B - CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents consisted of the following at March 31, 2004:

Petty cash	\$ 190
Funds held by Lincoln Charter Township	267,235
Deposits in financial institutions	375,450
	<u>\$ 642,875</u>

The above deposits in financial institutions of \$375,450 were reflected in the accounts of the Library's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$394,914. Of that amount, approximately \$326,777 was covered by federal depository insurance and \$68,137 was uninsured and uncollateralized.

**NOTE C - INVESTMENTS:**

Investments at March 31, 2004 consisted of certificates of deposit in financial institutions of \$548,353.

Of the above certificates of deposits in financial institutions of \$548,353, approximately \$473,669 was covered by federal depository insurance and \$74,684 was uninsured and uncollateralized.

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED**  
Year ended March 31, 2004

**NOTE D - Beneficial Interest in Assets Held by Others:**

During the year ended March 31, 2004, the Lincoln Township Public Library transferred certain funds to the Berrien Community Foundation in order to establish the Lincoln Township Public Library Endowment Fund.

The Agency Fund portion of the Endowment Fund represents the original assets transferred to establish the Fund and any subsequent donations received directly by the Library and forwarded to the Foundation. These amounts are reported as an asset on the Library's books at fair market value at March 31, 2004.

A summary of the activity in the Agency Fund portion of the Endowment Fund for the year ended March 31, 2004 is as follows:

Original amount transferred to the Foundation	\$	22,661
Donations received by the Library		3,435
Interest and dividends		465
Realized investment gains		9
Unrealized investment gains		3,239
Administrative fees		(352)
	\$	29,457

Donations received directly by the Berrien Community Foundation that are earmarked for the Lincoln Township Public Library Endowment Fund are reported as an asset on the Foundation's books. The present value of the estimated expected future cash flows from this Fund are required to be reported as an asset of the Library. The fair market value of this portion of the Fund at March 31, 2004 approximated \$200. Accordingly, the fair market value of future earnings from this Fund is insignificant and no related asset has been recorded by the Library at March 31, 2004.

The Library has access to the income from both portions of the Fund, subject to the Foundation's spending policy as follows:

The annual payout factor for all endowment funds will be determined annually by the Investment Committee and applied to the weighted average market value for the last three years as of December 31, of each year. The earliest market value will be given a 25 percent weighting, the middle market value a 35 percent weighting and the latest a 40 percent weighting.

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED**  
Year ended March 31, 2004

**NOTE E - CHANGES IN GENERAL FIXED ASSETS:**

The following is a summary of the changes in general fixed assets for the year ended March 31, 2004:

	Balance March 31, 2003		Additions		Dispositions		Balance March 31, 2004
Land and improvements	\$ 37,065	\$	-	\$	-	\$	37,065
Building	2,913,057		-		-		2,913,057
Furniture and equipment	761,388		36,897		-		798,285
	<u>\$ 3,711,510</u>	\$	<u>36,897</u>	\$	<u>-</u>	\$	<u>3,748,407</u>

**NOTE F - RESERVED FUND BALANCE:**

Reserved fund balance of the General Fund consisted of the following at March 31, 2004:

Reserved for Library operations for fiscal year ending March 31, 2005	\$ 531,922
Reserved for capital expenditures	135,453
Reserved for contingencies	100,000
Reserved for One Book, One Community Project	3,148
	<u>\$ 770,523</u>

**NOTE G - RISK MANAGEMENT:**

The Library maintains commercial insurance to insure potential significant losses. There have been no significant changes in insurance coverage for the year ended March 31, 2004.

**NOTE H - LONG-TERM DEBT:**

General long-term debt consisted of the following at March 31, 2004:

4.0% - 4.3% Unlimited Tax General Obligation Library Bonds, with annual principal payments of \$125,000 to \$325,000 and semi-annual interest payments, final maturity May, 2014	<u>\$ 2,350,000</u>
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**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONCLUDED**  
**Year ended March 31, 2004**

**NOTE G - LONG-TERM DEBT- CONCLUDED:**

The principal reductions of general long-term debt for each of the next five years ending March 31 are as follows:

2005		\$	125,000
2006			150,000
2007			150,000
2008			175,000
2009			200,000
Thereafter			1,550,000
<b>Total</b>		<b>\$</b>	<b>2,350,000</b>

The following is a summary of the changes in general long-term debt for the year ended March 31, 2004:

	<u>Balance</u> March 31, 2003	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> March 31, 2004
Bonds payable	\$ 2,450,000	\$ -	\$ 100,000	\$ 2,350,000

**NOTE H - EMPLOYEE BENEFIT PLAN:**

The Library participates in a defined contribution retirement plan as a part of the Michigan Township's Association Master Compensation Plan. Employees must have completed one year of service, have at least five hundred hours of compensated service during the prior year, and be at least twenty-one years of age to participate in the plan. The Library contributes 5% of eligible employee's wages to the Plan. Library expenditures in connection with the plan amounted to \$19,107 for the year ended March 31, 2004.

OTHER FINANCIAL INFORMATION

**LINCOLN TOWNSHIP PUBLIC LIBRARY**  
**GENERAL LONG-TERM DEBT - 1999 UNLIMITED TAX GENERAL**  
**OBLIGATION LIBRARY BONDS**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**

March 31, 2004

<u>Year Ending</u> <u>March 31,</u>	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u>		<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
		<u>May 1</u>	<u>November 1</u>		
2005	\$ 125,000	\$ 49,416	\$ 46,837	\$ 96,253	\$ 221,253
2006	150,000	46,838	43,743	90,581	240,581
2007	150,000	43,744	40,744	84,488	234,488
2008	175,000	40,744	37,156	77,900	252,900
2009	200,000	37,156	33,006	70,162	270,162
2010	200,000	33,006	28,806	61,812	261,812
2011	225,000	28,806	23,969	52,775	277,775
2012	250,000	23,969	18,594	42,563	292,563
2013	250,000	18,594	13,281	31,875	281,875
2014	300,000	13,281	6,906	20,187	320,187
2015	325,000	6,906	-	6,906	331,906
	<u>\$ 2,350,000</u>	<u>\$ 342,460</u>	<u>\$ 293,042</u>	<u>\$ 635,502</u>	<u>\$ 2,985,502</u>